

To: POLICY AND RESOURCES (FINANCE) SUB-COMMITTEE	Subject: DEPARTMENT OF FINANCE PERFORMANCE MONITORING REPORT – PERIOD 1 st July to 30th September 2005
From: DIRECTOR OF FINANCE	
Date: 14th October 2005	Ref: LM/JMCK

1. Introduction

- 1.1. The purpose of this report is to advise Committee of current performance against a selection of key performance indicators across the Finance Department for the period 1st July to 30th September 2005.
- 1.2. Several important changes made to the previous year's report have been continued in this report. These are explained in the following paragraphs.
- 1.3. As part of the Council's three-year service improvement and financial planning process, departments produced comprehensive service improvement documents covering all aspects of their operations and resources. The service improvement plan details departmental key actions, service developments and arrangements for performance monitoring and improvement actions.
- 1.4. The performance monitoring report for 2005/06 integrates more closely with the service improvement plan. As part of the performance management framework detailed in the service plan, departmental performance standards will continue to be reported quarterly. Performance areas included in this report mirror those areas set out in the service plan.
- 1.5. Integrating reporting in this way further strengthens the overall corporate approach the Council has taken in targeting and achieving objectives through the three-year planning process.

2. Background

- 2.1 Performance measurement and the use of Key Performance Indicators are recognised as important tools in reviewing progress against defined standards and targets. Using the key actions within the service improvement plan, performance measures have been established which aim to report on progress in meeting these actions. Also included within the performance measures are the nationally agreed KPI's which are used to measure performance across all Scottish authorities.
- 2.2 A total of 16 performance areas are included in the report covering the priority actions for the department. The divisions of Accounting Services, Revenues, IT and Internal Audit are included each with respective indicators for key performance areas.
- 2.3 It is also important to note that due to the changing demands in delivering a modern public service and to meet the needs of stakeholders, performance measurement requirements must be frequently reviewed and indicators kept up to date. Any recommendation for changes to indicators will be highlighted in future reports.

3. Consideration of Indicators

3.1 Accounting Services

Six key performance areas, detailed in the service improvement plan for 2004-07, will be used to report on performance during the year. These areas are analysed over paragraphs 3.1.1 to 3.1.6.

3.1.1 (1) **Financial Controls & Reporting**

Sound Financial Management and prudent administration of the Council's financial affairs are key strategic issues for the Council. It is essential that control mechanisms exist to ensure that operational objectives funded through revenue expenditure and capital investment are met in the most economic, efficient and effective way.

Firstly, considering the revenue budget performance, at the end of period 6, up to 16th September 2005, an actual underspend of £1,844,000 was realised which is equivalent to a budget deviation of 0.66%. Projected figures to 31st March 2006 currently anticipate a deficit of £370,000 or 0.07% of the overall net budget of £563 million. The projected deficit is the result of the utility cost price increases amounting to £1.4m which are being partly offset by other efficiencies and cost pressures in the Social Work Department in respect of children's secured accommodation and foster care. *Detailed figures at Appendix 1-A*

Following adjustment of the Capital Investment programme – adjustments for identified carry forward from 2004/05 and slippage and acceleration in the current year - the total capital investment programme for 2005/06 stands at £68.950m. Actual expenditure to end of period 6 is £20.026m or 27.53% of the current programme. Actual investment commitments for the period are £47.241m or 64.94% of the programme. There is a projected overspend of £3.800m at the year end, but, in keeping with trends in previous years, it is anticipated that slippage will be reported throughout the year, bringing the programme back to the budgeted position. The programme will continue to be monitored closely by both the individual departments and the Corporate Resources Working Group. *Detailed figures at Appendix 1-B*

3.1.2 (2) **Budget Planning**

During quarter 2, the Council's Financial Plan 2005/06 to 2007/08 was completed and approved by Committee. Work continued on developing the budget for 2006/07 and 2007/08, including the analysis of Efficiency Savings proposals received from departments for the coming year. Information was provided to COSLA on cost pressures facing the Council in 2006/07 and 2007/08 to assist in COSLA's submission to the Scottish Executive for additional resources for these years.

The Chancellor of the Exchequer announced his intention to delay the Spending Review scheduled for 2006. This is likely to have implications for the Scottish Executive's review of its budget for 2007/08 and may also affect the level of additional funding available to councils.

3.1.3 (3) **Prudential Arrangements for Capital Finance**

The approved Treasury Management Strategy for 2005/06 contains a number of indicators that require to be regularly monitored to ensure compliance with the requirements of the Prudential Code.

During the quarter to the end of September 2005, the maximum level of borrowing undertaken remained well below approved authorised and operational limits.

At the end of the second quarter a higher prudential margin exists compared to the initial estimate for 2005/2006. This is due to temporary surplus cashflows which will be utilised as capital expenditure increases throughout the course of the year.

Based on projected capital expenditure for the year it is anticipated that a healthy prudential margin will be achieved by the financial year-end. This illustrates that the increased capital investment levels are affordable and sustainable, thereby satisfying the key requirements of the Prudential code. *Projected performance against key 2005/06 indicators is shown at Appendix 2.*

3.1.4 (4) Best Value Plans

The Finance Department has continued to identify the financial aspects of the Duty of Best Value, which will assist the Council to prepare for the audit of Best Value in 2006. Work continued in quarter 2 to analyse the reports published by the Accounts Commission on Best Value Audits carried out to date. This has been used to identify the common themes of the audits to date to anticipate the areas that the Council's audit is likely to focus on. *For more details see Appendix 3a.*

Performance of the Trading Accounts of the 6 former DSOs continues to be monitored. Questionnaires had been issued to all departments to ensure that the requirements of the guidance on Trading Accounts are being met. These returns were analysed and a report has been prepared to be discussed by the Best Value Corporate Working Group.

Improvement recommendations from the recent Best Value Review of Insurance and Risk Management have continued to be implemented. *For details, see Appendix 3b.*

3.1.5 (5) Insurance and Risk

The Department provides corporate advice on the safeguarding of Council assets as well as the administration and management of risk and insurance services. The following insurance indicators highlight the level of claims the department is currently managing.

- **Number of Employers Liability Claims**
Up to the end of the second quarter for 2005/06, 25 claim incidents occurred against the Council, a decrease when compared to 26 incidents in the same period last year, a reduction of 3.8%. *See Appendix 4A for further details.*
- **Number of Public Liability Claims raised**
Up to the end of the second quarter for 2005/06, 560 claim incidents occurred. This compares with 606 in the previous year and represents a 7.6% decrease. *See Appendix 4B for further details*
- **Number of Motor Claims per number of Vehicles**
For the second quarter of this year, total motor vehicle claim incidents were 121 against an insured fleet total of 1001, meaning that 12.1% of fleet vehicles were involved in accidents. The total number of incidents for the year to date is 231 compared with 255 for the same period last year, a reduction of 9.4%. *See Appendix 4C for further details*

3.1.6 (6) Treasury Management

The Council holds a well-balanced loan portfolio, comprising fixed rate and variable rate debt plus a variety of variable rate investments. However, improvements have been identified in the Service Improvement Plan 2005/06, with a key target to achieve full year interest savings of £500,000 being established. Although this is dependent on prevailing economic conditions, the department continues to search for opportunities to reschedule debt at competitive rates, and achieve its targeted interest saving. During the year to date, loan interest savings of approximately

£174,000 have been achieved for 2005/06, with full year savings from 2006/07 to 2009/10 of approximately £185,000 and £125,000 thereafter until 2013/2014.

The council has set limits on its exposure to the effects of interest rate changes. At the end of the second quarter of 2005/2006 the actual levels are well below the approved fixed and variable rate exposure limits. This is due to investment income levels currently being higher than initially forecast when compiling limit boundaries, demonstrated by a marginal reduction in net loan interest payments.

To minimise the risk of the council having to replace large sums of fixed rate debt at a time when there may be high interest rates prevailing, the council has set upper and lower limits regarding its maturity structure. At the end of quarter 2 the maturity structure held is comfortably within defined limits.

Further details regarding the Loan portfolio are given in Appendix 5.

To improve management practices the Treasury Management policies including cash-flow performance are continually monitored and reviewed during the year and updated accordingly. During Quarter 2, work continued on revising the documentation held within the Treasury Management Practices, to reflect improved daily dealing arrangements implemented in recent months.

3.2 Revenue Services

The importance of having effective measures in place to maximise income collection is reflected in the Finance Department Service Improvement Plan for 2004-07. Similarly, the ability for the Council to pay invoices to suppliers within an agreed period is also critical. A number of initiatives are in place to improve collection rates and invoice payment times and the following indicators give an overview on how these initiatives are impacting on collection and payment performance.

3.2.1 **(7) Income Collected from Council Tax**

The net imposed figure for Council Tax for the year 2005/06 is £89.610m, which represents the amount after rebate income is received. The amount collected after the second quarter ended 30th September 2005 is £47.987m, which represents 53.55% of the annual total. This position compares to the 2004/05 quarter 2 total when £45.155m (53.55%) was collected. This will be closely monitored and it is anticipated that the year-end increases in collection rates will be continued.

3.2.2 **(8) Income Collected from Non Domestic Rates**

The net imposed figure for Non Domestic Rates for the year 2005/06 is £98.078m. The amount collected after the second quarter of 2005/06 is £41.291m, which represents 42.10% of the annual total. This reported position compares with £40.632m (41.21%) reported at the same stage last year. This will be closely monitored and it is anticipated that the year-end increases in collection rates will be continued.

3.2.3 **(9) Number of Invoices Paid within agreed times**

The improvement of invoice payment times is recognised as a key action in the departmental service plan and a target figure of 85% of all invoices to be paid within agreed terms has been set for 2005/06. Current analysis shows that 84.34% of invoices were paid within terms during the second quarter of 2005/06, compared with last year's figure of 76.21% for the same period, a significant improvement and the best quarter performance to date. The year to date figure is 82.64% compared with 78.02% for the same period last year. *Further details at Appendix 6C*

3.2.4 **(10) Aged Debt Profile**

Aged debt analysis provides an overview of unpaid debtors according to how long overdue the payment is from the original invoice date. The indicator provides an

overview of the total debt outstanding at the end of quarter 2 and highlights any movement from the previous reported position.

The total debt outstanding at the end of the second quarter, 30th September 2005, is £9.228m. This is £1.732m above the reported position at 30th June 2005. The amount outstanding can vary significantly by delay in receiving payment from other public sector bodies. *Further details at Appendix 6D.*

3.3 Internal Audit

3.3.1 **(11) Audit Plan**

Internal Audit work for 2005-2006 has continued to be progressed broadly in accordance with the approved annual plan.

Activity in the period to 30 September 2005 included the completion of a number of reviews contained within the 2005-2006 approved annual plan together with some delayed 2004-2005 exercises where reports had previously been issued in draft form pending management responses but which had not been completed. A further number of planned 2005-2006 outputs have been issued in draft form and will subsequently be finalised after receipt of management responses including agreed actions. We have also undertaken a number of follow-up audits where we ensure that actions previously agreed by management in response to earlier audit recommendations have been implemented.

The detailed nature of internal audit reviews mean that Internal Audit exercises invariably find some evidence of control weaknesses, either in the form of inadequate or ineffective controls, and generally, therefore, contain recommendations for improvements. The Audit Manager can confirm, however, that during the period covered by this report, there were no systems of control that he required to assess overall as either inadequate or ineffective.

The Audit Manager is also pleased to report that management continue to respond promptly and appropriately to the recommendations contained in Internal Audit reports and that there are no other significant issues arising from the work of Internal Audit during the period that he requires to bring to the attention of the Committee.

Further details of the completed Internal Audit programme of work is contained at Appendix 7.

3.4 IT Services

The three areas below have been chosen to reflect the priority areas contained within the service improvement plan and provide a background to key areas of performance in terms of both corporate support for customers and new development areas.

3.4.1 **(12) System Management & Reliability**

This indicator measures the success in the supply and management of networked and stand-alone systems, software configurations and maintenance and customer support on applications and hardware. For quarter 2 (2005/06), availability of software applications, corporate servers and networks again performed well above the target of 98%, achieving 100% in both areas. This continues the high availability and performance established over the previous year. The IT Service Centre also managed to resolve 98.7% of fault calls within the target timescale of 2 working days, again maintaining a high level of support to customer departments.

3.4.2 **(13) Corporate Desktop & Emerging Technologies**

The roll out of the new corporate desktop has entered the final phase of the programme with only some small offices in both Social Work and Community services, the Property Division of Housing and Property and approximately 40 PC's in

Education HQ outstanding. The Home Working pilot in Planning and Environment is now complete and a report on the outcome is currently being prepared. Work is continuing on the field working pilot with Social Work and the first phase, wireless access via tablet PC's from the Bellshill area office, is expected to be operational at the end of October 05.

3.4.3 (14) Modernising Government / Electronic Service Delivery (ESD) Targets

IT services is heavily involved in assisting departments meet their Modernising Government/ESD targets as specified by the Scottish Executive. The main focus has been the support of the NLDirect (NLD) team in establishing the Customer Contact Centre (CCC), First Stop Shops (FSS) and the Council's web site.

The back-office integration from e:Nquiry to the HSMS (Housing Management System) System is with NLDirect for testing prior to going live. An upgrade to the Flare system is required before this element of back-office integration can be implemented. This is with Planning & Environment to progress with the supplier.

The development of the web site interface for e:Nquiry is almost complete. This will allow the public to log service requests on-line. Scheduled implementation is next quarter.

The hosting of the Council's web site is being transferred to a new supplier.

IT Services and other NLC staff continue to attend and play a prominent role in various groups set-up to further the aims of MGF3 (now known as Customer First). IT and NLDirect represented the Council at the August meeting of the Benefits Realisation group. Community Services, Corporate Communications and IT staff have designed the Council's area for local branding on the National Concessionary Travel Card which has been passed to the Scottish Executive. The Council has ordered 100,000 smartcards from the Scottish Executive's national contract to progress the national and local smartcard programmes.

We are still awaiting a definitive technical specification from the Scottish Executive regarding the format and business processes surrounding the creation and maintenance of the Citizens Account and associated authentication before we can progress any meaningful work in this area.

3.5 People Management

As identified within the Finance Department service improvement plan, the employees of the department are its key resource. It is vital that staff have the skills and motivation necessary to enable them to effectively deliver the responsibilities placed on them. The department is committed to the continued development of all staff.

3.5.1 (15) Staff Training

During the first six months of 2005/06, the Finance Department has completed the Personal Development Review meetings and established the individual training needs of each of our staff members. From this we have compiled the required training list for the department and this now forms part of the departmental training plan. The training plan has been submitted to the Corporate Training Section and training is ongoing.

3.5.1 (16) Absence Management

For the 2nd quarter of 2005/06, the total number of working days lost through absence was 554, which represents 3.42% of the total days available. Of this, 192 days (1.77%) were due to long-term illness. This compares favourably with the previous quarter's figure of 589.5 lost days (3.44%) but is greater than the total of 337 days (2.04) for the same period for the previous year. *Further details at Appendix 8.*

4. **Performance Summary**

- 4.1 The department has performed well up to the end of the second quarter. Both revenue and capital budgets are on target to meet expenditure limits with only small deviations reported. The Council's Financial Plan 2005/06 to 2007/08 was completed and approved by Committee and work continued on developing the budget for 2006/07 and 2007/08.
- 4.2 The Prudential Code for Capital Finance, introduced in 2004/05, enables the Council to increase its capital investment levels. At the end of quarter 2, projections show that borrowing is well below approved limits and a healthy prudential margin is anticipated at the year-end illustrating that the increased capital investment levels are affordable and sustainable.
- 4.3 Council Tax Collection is at the same level as last year and Non Domestic Rate Collection shows an increase from the previous year. It is anticipated that the year-end increases in collection rates will be continued. Invoice Payment rates for the year to date show a significant improvement on both the average and the comparable period for last year. The Age Debt Profile for quarter 2 shows a higher total than the previous quarter. These will all continue to be closely monitored.
- 4.4 Internal Audit have completed a wide ranging series of reports up to the 30th September and many more have been started. Overall no inadequate or ineffective systems of control have been identified and management are responding promptly and appropriately to recommendations.
- 4.5 Council wide computer systems also remain at a high level of stability in both hardware and software applications providing nearly 100% user availability. Many new developments have also been continued in quarter 2 as the Council takes advantage of new more effective working solutions.
- 4.6 Comprehensive staff training plans have been developed. Absence figures are below the level reported for the previous quarter, but above the comparative period for the previous year. This will continue to be closely monitored.

5. **Recommendation**

- 5.1 The Committee is requested to note the contents of this report.



Director of Finance

For further information please contact Les Moore on tel. no. 01698 302408

DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT
 QUARTER 2 : 2005/06

1. Financial Controls & Reporting

A. Revenue Expenditure : 2005/06 (£'000)

Department	Figures to 16th September 2005			Figures to 31st March 2006		
	Budget	Actual	Variance	Budget	Projection	Variance
Community Services	33,058	32,994	64	77,376	77,519	-143
Education	121,485	121,112	373	282,125	282,353	-228
Finance	8,342	7,902	440	28,878	28,579	299
Administration	2,066	1,988	78	6,911	6,775	136
Housing & Property	16,384	16,254	130	28,877	28,997	-120
Joint boards	28,578	28,578	0	57,164	57,164	0
Personnel	811	806	5	2,107	2,107	0
Planning & Environment	18,699	18,363	336	44,020	44,020	0
Chief Executive	1,494	1,503	-9	924	885	39
PPP/Trading Surplus	-965	-885	-80	-2,395	-2,316	-79
Social Work	50,479	49,972	507	110,947	112,021	-1,074
Financing Costs	0	0	0	-24,161	-24,661	500
Adjustment for Central Admin				-49,763	-49,763	
Total Expenditure	280,431	278,587	1,844	563,010	563,680	-670
Sources of Funding	84	84	0	563,010	563,310	-300
Total Surplus / (Deficit)	280,347	278,503	1,844	0	370	-370

Housing Revenue Account	26,192	26,071	121	0	-382	382
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Deviation from Plan	0.66%	-0.07%
	Actual vs Budget	Project outturn vs budget

B. Composite Capital Expenditure : 2005/06 (£'000)

Department	Current Programme	Projected Outturn	Projected Variance	Actual Spend to 16/09/05	Committed to 16/09/05
Administration	630	630	0	193	305
Chief Executive	509	509	0	10	29
Corporate : Design & Project Management	250	250	0		
Community Services	10,688	10,688	0	3,457	5,057
Education Programme	18,597	18,597	0	7,008	18,893
Finance/IT	1,259	1,259	0	81	189
Housing - Non HRA Grants	4,679	4,679	0	865	2,817
Housing - Property Services	3,019	3,019	0	702	1,750
Planning & Environment	29,368	29,368	0	6,952	15,585
Social Work	3,751	3,751	0	758	2,616
Programmed Capital Expenditure	72,750	72,750	0	20,026	47,241
less : Slippage Factor	-3,800	0	-3,800	0	0
Planned Expenditure Total	68,950	72,750	-3,800	20,026	47,241

	-5.51%	27.53%	64.94%
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Deviation of projected outturn vs current programme % of total programmed expenditure spent to date. % of expenditure committed against programmed expenditure

DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT

QUARTER 2 : 2005/06

3. Prudential Arrangements for Capital Finance

Capital Expenditure, Capital Financing Requirement and Prudential Margin

Capital Expenditure	Initial Estimate 2005/06 (000s)	Projected Out-turn 2005/06 (000s)
Total spend	103,170	113,112
Financed By:		
Borrowing	37,085	45,340
Capital receipts	37,971	34,155
Cash grants	16,064	21,517
Capital from Current Revenue	12,050	12,100

	Initial Estimate 2005/06 (000s)	Position at 30 th Sept 05 (000s)	Projected Outturn 2005/06 (000s)
Prudential Margin Calculation			
Capital Financing Requirement	444,876	443,788	443,788
Net borrowing requirement	437,322	409,557	436,859
Prudential Margin	7,554	34,231	6,929

Authorised Limit and Operational Boundary

	2005/2006 Authorised Limit (£m)	2005/2006 Operational Boundary (£m)	2005/2006 Maximum Borrowing in Q2 (£m)
Borrowing	519.00	484.00	477.42
Other long term liabilities	1.00	1.00	0.29
Totals	520.00	485.00	477.71

DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT

QUARTER 2 : 2005/06

4. Support the Implementation of the Councils Best Value Plans

A BEST VALUE AUDIT PREPARATIONS

The Department reviewed the Accounts Commission reports on the outcome of the Best Value Audits of the councils whose audits have been completed to date. The analysis was used to identify common themes to assist preparation for the Council's audit due in 2006. This information was shared with other departments through the Best Value Corporate Working Group.

Following comment by the external auditor, a questionnaire was issued to all departments to review those services that were considered to be trading operations and that therefore required to keep Trading Accounts. This will ensure that the reasons for identifying individual services as trading operations are clearly documented.

B INSURANCE, RISK MANAGEMENT AND SAFETY

Position as at 30/09/05

Processing Insurance Claims

- | | |
|---|---|
| <ul style="list-style-type: none"> • Process in-house non-injury claims below £500 | <p>Implemented in-house processing of claims commenced on 1/4/05.</p> |
| <ul style="list-style-type: none"> • Appoint Loss Adjusters for larger value property insurance claims | <p>Implemented. Loss Adjuster now in place.</p> |
| <ul style="list-style-type: none"> • Implement recommendations from a Business Change Analysis and set targets for improvements in time taken to settle claims | <p>Pilot exercises undertaken in Housing and Roads to assess improvements to the processing of claims. Both pilots identified significant improvements - Housing : 83% reduction in time taken to provide a report on a claim; 80% reduction in reminders sent: Roads : 76% reduction in time for a report; 66% reduction in reminders. Training has taken place within the other Housing area offices to implement improved practices.</p> |

Insurance Strategy and Advice

- | | |
|--|--|
| <ul style="list-style-type: none"> • Continue to ensure competitiveness of charges for legal services to the Insurance Fund | |
| <ul style="list-style-type: none"> • Seek Charter Mark accreditation for the Risk & Insurance Section | <p>Achieved. Charter Mark awarded following assessment in July 2004. Follow-up meeting in August 2005 confirmed the award.</p> |
| <ul style="list-style-type: none"> • Improve measurement of statistics to facilitate comparison of performance | <p>Contact through ALARMS of potential partners for benchmarking of performance</p> |

Review of Insurance Levels

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|--|---|
| <ul style="list-style-type: none"> • Review insurance / self-funding levels | <p>Review carried out for 2004/05 and reported to Committee.</p> <p>The risk financing strategy will be reviewed as part of the tendering exercise that will be carried out in 2005. Preparatory work commenced for the tendering exercise.</p> |
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Risk Management Activity

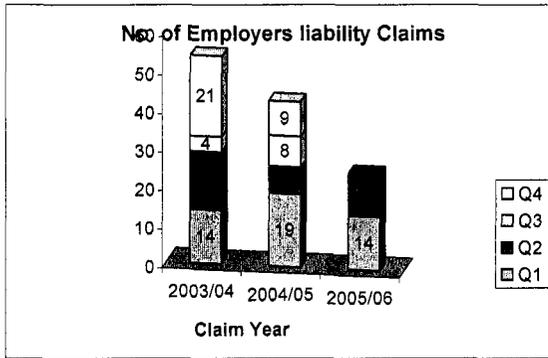
- | | |
|--|---|
| <ul style="list-style-type: none"> • Link departmental charges for insurance to claims experience | <p>Method of allocation of insurance costs was amended to reflect more accurately the number and value of insurance claims made by departments. The amended model was used for the 2005/06 allocation.</p> |
| <ul style="list-style-type: none"> • Increase focus on risk management activity | <p>Visits to departmental management teams to discuss risk management and insurance processing. The re-established Insurance Risk Management Working Group has identified potential risk management projects and a sub Group has been established to progress this. The Group has also identified current risk management activity that will be included in the presentation to insurers as part of the tendering exercise.</p> |

DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT
 QUARTER 2 : 2005/06

5. INSURANCE AND RISK MANAGEMENT

a. Number of Employers Liability Claims

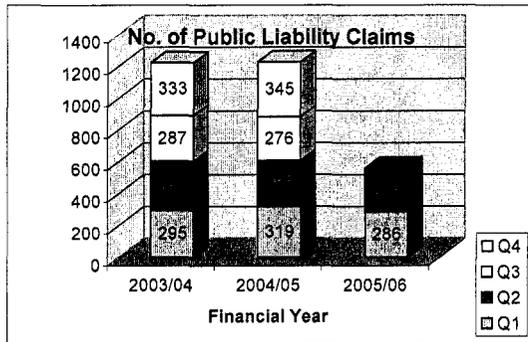
	Q1	Q2	Q3	Q4	Total
2003/04	14	15	4	21	54
2004/05	19	7	8	9	43
2005/06	14	11			25



b. Number of Public Liability Claims

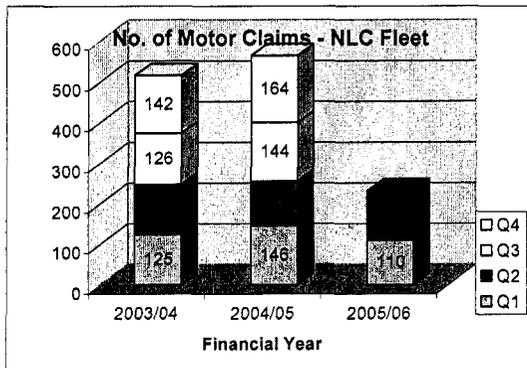
	Q1	Q2	Q3	Q4	Total
2003/04	295	307	287	333	1222
2004/05	319	287	276	345	1227
2005/06	286	274			560

NLC Population	321,820
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5c. Number of Motor Claims across Council Fleet

	Q1	Q2	Q3	Q4	Total
2003/04	125	122	126	142	515
2004/05	146	109	144	164	563
2005/06	110	121			231



DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT
 QUARTER 2 : 2005/06

6. TREASURY MANAGEMENT PERFORMANCE

Treasury Management Indicators

Interest Rate Exposures

	2005/06 Upper Limits	2005/06 Actual Held, Q2
Fixed interest rates	110%	107.3%
Variable interest rates	25%	-7.3%

Interest Payments and Income due to Loans Outstanding/Funds Invested

	Initial Estimate 2005/2006 (000s)	Projected Out-turn as at Q2 (000s)	Variance (000s)	%
Interest Payable on Fixed Rate Debt	30,352	30,469	117	0.39%
Interest Payable on Variable Rate Debt	820	927	107	12.93%
Total Interest Payments	31,172	31,396	224	0.72%
Interest Receivable On Funds invested	-2,479	-2,997	-518	29.89%
Net Loan Interest Payments due	28,693	28,399	-294	-1.02%

Maturity Structure of Borrowing

Maturity Structure of fixed borrowing	< 12 month s	12 months to 2 years	2 to 5 years	5 to 10 years	>10 years
Upper limit maturing	5.00%	5.00%	10.00%	25.00%	90.00%
Amount maturing in Period	0.39%	2.67%	3.17%	14.18%	79.60%

DEPARTMENT OF FINANCE - PERFORMANCE MONITORING REVIEW REPORT
QUARTER 2 : 2005/06

REVENUES

A. (7) INCOME COLLECTED FROM COUNCIL TAX

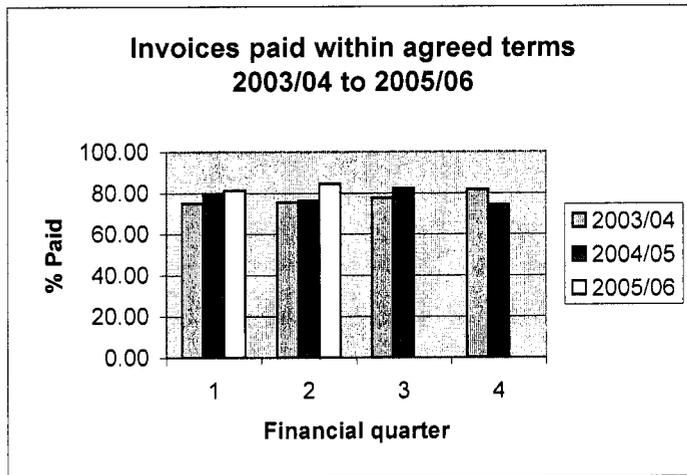
The net imposed figure for Council Tax for the year 2005/06 is £89.610m, which represents the amount due after rebate income is received. The collection target for 2005/06 was 93.5%. For the second quarter of 2005/06, ending 30th September, the total amount collected was £47.987m (53.55%). This compares to the equivalent period in 2004/05 when the same percentage of 53.55% was collected.

B. (8) INCOME COLLECTED FROM NON DOMESTIC RATES

The net imposed figure for Non Domestic Rates for the year 2005/06 was £98.078m. The amount collected after the second quarter of 2005/06, ending 30th September, was £41.291m, which represents 42.10% of the annual total. This reported position compares with 41.21% reported at the same stage last year.

C. (9) PERCENTAGE(%) OF INVOICES PAID WITHIN AGREED TERMS

	Q1	Q2	Q3	Q4	Average
2003/04	74.80	75.46	77.59	81.62	77.59
2004/05	79.58	76.21	82.14	74.26	78.07
2005/06	81.14	84.34			



D. (10) AGED DEBT PROFILE

No. of Days	Amount Outstanding 30th June 2005	Amount Outstanding 30th Sept 2005
31-60	1,031,927	1,389,575
61 - 90	936,333	970,080
91-120	648,825	519,922
121-365	1,278,318	2,701,589
Greater 365	3,600,246	3,646,535
Total	7,495,649	9,227,701

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QUARTER 2 : 2005/06

11. INTERNAL AUDIT

a. Summary of Internal Audit Reviews undertaken during Quarter 2 2005/06.

Department	Subject
<input type="checkbox"/> Corporate	Statutory Performance Indicators
<input type="checkbox"/> Corporate	Freedom of Information
<input type="checkbox"/> Administration	Follow-up - Recruitment
<input type="checkbox"/> Administration	Licensing
<input type="checkbox"/> Education	Arrangements for managing quality
<input type="checkbox"/> Education	Early Years
<input type="checkbox"/> Finance	Cash Collection
<input type="checkbox"/> Finance	Payroll - regularity
<input type="checkbox"/> Finance	Debt Recovery
<input type="checkbox"/> Social Work	Direct Payments
<input type="checkbox"/> Social Work	Follow-up - Homecare
<input type="checkbox"/> Planning & Environment	Follow-up - Development Control and Planning Applications

b. Internal Audit Reviews underway but not yet completed

Department	Subject
<input type="checkbox"/> Corporate	Community Planning
<input type="checkbox"/> Corporate	Corporate Governance
<input type="checkbox"/> Corporate	Risk Management
<input type="checkbox"/> Community Services	Leisure and Recreation
<input type="checkbox"/> Community Services	Fleet Management
<input type="checkbox"/> Finance	Non-Domestic Rates
<input type="checkbox"/> Housing and Property Services	Housing Benefit - Calculation of awards
<input type="checkbox"/> Planning and Environment	European Funding

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QUARTER 2 : 2005/06

People Management

16. Absence Management

The Finance Department's Absence Statistics for the last two quarters are as follows :-

Service	Apr - Jun 2005 (2004)		Jul - Sep 2005 (2004)	
	No. of days through illness	% illness	No. of days through illness	% illness
<i>Accounting Services</i>	69 (115)	2.24 (3.61)	43 (52)	1.49 (1.76)
<i>Revenue Services</i>	385.5 (309)	3.93 (3.33)	361 (240)	3.81 (2.55)
<i>I.T Services</i>	135 (46)	3.18 (1.06)	150 (45)	3.77 (1.09)
Total	589.5 (470)	3.44 (2.80)	554 (337)	3.42 (2.04)